



**DEPARTMENT OF THE ARMY**  
**HEADQUARTERS UNITED STATES ARMY FORCES COMMAND**  
**1777 HARDEE AVENUE SW**  
**FORT MCPHERSON GEORGIA 30330-1062**

REPLY TO  
ATTENTION OF

AFLG-PR

7 July 1998

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Contracting Information Letter (CIL) 98-31

1. This CIL contains information on the following subjects:
  - a. Interim Change to the DFARS Concerning the Implementation of a MOU Between the SBA and DOD,
  - b. FORSCOM Supplement to AR 5-14, Management of Contracted Advisory and Assistance Services,
  - c. Competition Under Multiple Award Task and Delivery Order Contracts, and
  - d. DD350/1057 Reporting WEB Page.
2. Interim Change to the DFARS Concerning Implementation of a MOU Between the SBA and DOD. At enclosure 1 is an interim change to the DFARS approved by the Director, Defense Procurement, on 19 June 1998, and effective that date. The changes implement an MOU between the DOD and the SBA and streamline the 8(a) contracting process by permitting direct awards to 8(a) firms and by reducing required SBA response times.
3. FORSCOM Supplement to AR 5-14, Management of Contracted Advisory and Assistance Services. The publication at enclosure 2 covers Forces Command supplementary policies to AR 5-14 for Management of Contracted Advisory and Assistance Services (CAAS).
4. Competition Under Multiple Award Task and Delivery Order Contracts. Reference CIL 98-12, dated 12 January 1998, subject: Multiple Award Task Order and Delivery Order Contract. In addition to the information/guidance outlined in the referenced CIL, the memo at enclosure 3, SARD-PP, dated 28 May 1998, SAB, is forwarded for immediate implementation. For additional information, please contact Sandra Bruner at DSN 367-6296 or email [bruners@forscom.army.mil](mailto:bruners@forscom.army.mil).

AFLG-PR

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5. DD Form 350/1057 Reporting WEB Page. A portion of an email is provided at enclosure 4. This email contains a message from Mr. Brian Davidson that identifies a new website for procurement statistics and addresses data discrepancies and accurate reporting.



4 Encls  
as

TONI M. GAINES  
Acting Chief, Contracting Division, DSCLOG  
Acting Principal Assistant Responsible  
for Contracting

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[Federal Register: June 19, 1998 (Volume 63, Number 118)]  
[Rules and Regulations]  
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DEPARTMENT OF DEFENSE

48 CFR Parts 213, 219, 252, and 253

[DFARS Case 90-D011]

Defense Federal Acquisition Regulation Supplement; Direct Award of 8(a)  
Contracts

AGENCY: Department of Defense (DoD).

ACTION: Interim rule with request for comments.

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SUMMARY: The Director of Defense Procurement has issued an interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement a Memorandum of Understanding (MOU) dated May 6, 1998, between the Small Business Administration (SBA) and DoD. The MOU streamlines the processing procedures for contract awards under the SBA's 8(a) Program.

DATES: Effective date: June 19, 1998.

Comment date: Comments on the interim rule should be submitted in writing to the address shown below on or before August 18, 1998, to be considered in the formulation of the final rule.

ADDRESSES: Interested parties should submit written comments to: Defense Acquisition Regulations Council, Attn: Ms. Sandra G. Haberlin, PDUSD (A&T)DP(DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telefax number (703) 602-0350. E-mail comments submitted over the Internet should be addressed to: dfars@acq.osd.mil

Please cite DFARS Case 98-D011 in all correspondence related to this issue. E-mail comments should cite DFARS Case 98-D011 in the subject line.

FOR FURTHER INFORMATION CONTACT:  
Ms. Sandra G. Haberlin, (703) 601-0131.

SUPPLEMENTARY INFORMATION:

## A. Background

The SBA's 8(a) Program, named for the section of the Small Business Act (Pub. L. 85-536, as amended) which it implements, helps small disadvantaged businesses compete for Federal contracts. The program authorizes the SBA to enter into all types of contracts with other agencies and award subcontracts for performing these contracts to firms eligible for program participation. The SBA's subcontractors are referred to as '8(a) contractors.'

Section 8(a) requires the SBA to function as an intermediary for 8(a) contracts, but permits the SBA to delegate its authority through special agreements. One such agreement is the Memorandum of Understanding dated May 6, 1998, between SBA and DoD. The MOU streamlines the processing procedures for contract awards under the SBA's 8(a) Program by authorizing DoD to award contracts directly to 8(a) contractors; by reducing SBA's response time to a DoD offering and for making an eligibility determination; and by providing a number of other changes to procurement procedures under the 8(a) Program. This interim rule amends Parts 213, 219, 252, and 253 of the DFARS to implement the MOU.

## B. Regulatory Flexibility Act

The interim rule is not expected to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because the rule only affects the administrative process established for award of 8(a) contracts. An Initial Regulatory Flexibility Analysis has, therefore, not been performed. Comments are invited from small businesses and other interested parties. Comments from small entities concerning the affected DFARS subparts also will be considered in accordance with 5 U.S.C. 610. Such comments should be submitted separately and should cite 5 U.S.C. 601, et seq. (DFARS Case 98-D011), in correspondence.

## C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the interim rule does not impose any information collection requirements that require Office of Management and Budget approval under 44 U.S.C. 3501, et seq.

## D. Determination To Issue an Interim Rule

A determination has been made under the authority of the Secretary of Defense that urgent and compelling reasons exist to publish this interim rule prior to affording the public an opportunity to comment. This action is necessary to implement a MOU dated May 6, 1998, between the SBA and DoD. The MOU streamlines the processing procedures for contract awards under the SBA's 8(a) Program by authorizing DoD to award contracts directly to 8(a) concerns; by reducing SBA's response times; and by providing a number of other changes to procurement procedures under the 8(a) Program. However, comments received in response to the publication of this interim rule will be considered in formulating the final rule.

List of Subjects in 48 CFR Parts 213, 219, 252, and 253

Government procurement.  
Michele P. Peterson,  
Executive Editor, Defense Acquisition Regulations Council.

Therefore, 48 CFR Parts 213, 219, 252, and 253 are amended as follows:

1. The authority citation for 48 CFR parts 213, 219, 252, and 253 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 213--SIMPLIFIED ACQUISITION PROCEDURES

2. Subpart 213.70 is added to read as follows:

Subpart 213.70--Simplified Acquisition Procedures Under the 8(a) Program

Sec.

213.7001 Policy.

213.7002 Procedures.

213.7003 Purchase orders.

213.7003-1 Obtaining contractor acceptance and modifying purchase orders.

213.7003-2 Contract clauses.

Subpart 213.70--Simplified Acquisition Procedures Under the 8(a) Program

213.7001 Policy.

For sole source acquisitions under the 8(a) Program, contracting officers may use the procedures established in the Memorandum of Understanding cited in 219.800.

213.7002 Procedures.

For acquisitions that are otherwise appropriate to be conducted using procedures set forth in this part, and also eligible for the 8(a) Program, contracting officers may use--

(1) (i) For sole source purchase orders not exceeding the simplified acquisition threshold, the procedures in 219.804-2(2); or

(ii) For other types of acquisitions, the procedures in subpart 219.8, excluding the procedures in 219.804-2(2); or

(2) The procedures for award to the Small Business Administration in FAR subpart 19.8.

213.7003 Purchase orders

213.7003-1 Obtaining contractor acceptance and modifying purchase orders.

The contracting officer need not obtain a contractor's written acceptance of a purchase order or modification of a purchase order for an acquisition under the 8(a) Program pursuant to 219.804-2(2).

213.7003-2 Contract clauses.

Use the clauses prescribed in 219.811-3(1) and (3) for purchase orders under the 8(a) Program pursuant to the Memorandum of Understanding cited in 219.800.

PART 219--SMALL BUSINESS PROGRAMS

3. Section 219.800 is added to read as follows:

219.800 General.

(a) By Memorandum of Understanding (MOU) dated May 6, 1998, between the Small Business Administration (SBA) and the Department of Defense (DoD), the SBA delegated to the Under Secretary of Defense for Acquisition and Technology its authority under paragraph 8(a)(1)(A) of the Small Business Act (5 U.S.C. 637(a)) to enter into 8(a) prime contracts, and its authority under paragraph 8(a)(1)(B) of the Small Business Act to award the performance of those contracts to eligible 8(a) Program participants. Consistent with the provisions of this subpart, this authority is hereby redelegated to DoD contracting officers within the United States, its territories and possessions, Puerto Rico, the Trust Territories of the Pacific Islands, and the District of Columbia, to the extent that it is consistent with any dollar or other restrictions established in individual warrants. This authority is being delegated and redelegated on a pilot test basis and shall expire on May 5, 2001. Notwithstanding this MOU, contracting officers may elect to award the contract pursuant to the provisions of FAR subpart 19.8.

(b) Awards under the MOU may be awarded directly to the 8(a) participant on either a sole source or competitive basis.

(c) Contracts awarded under the MOU may be awarded directly to the 8(a) participant. An SBA signature on the contract is not required.

4. Sections 219.804-2, 219.804-3, 219.805, 219.805-2, 219.806, 219.808, 219.808-1, 219.811, 219.811-1, 219.811-2, 219.811-3, and 219.812 are added to read as follows:

219.804-2 Agency offering.

(1) For requirements processed under the MOU cited in 219.80 (but see paragraph (2) of this subsection for procedures related to purchase orders that do not exceed the simplified acquisition threshold), the notification to the SBA shall clearly indicate that the requirement is being processed under the MOU. All notifications should be submitted in writing, using facsimile or electronic mail, when possible, and shall specify that--

(i) Under the MOU, an SBA acceptance or rejection of the offering is required within 5 working days of receipt of the offering; and

(ii) (A) For sole source requirements, an SBA acceptance shall include a size verification and a determination of the 8(a) firm's eligibility, and, upon acceptance, the contracting officer will solicit a proposal, conduct negotiations, and make award directly to the 8(a) firm; or

(B) For competitive requirements, upon acceptance, the contracting officer will solicit offers, conduct source selection, and, upon receipt of an eligibility verification, award a contract directly to the selected 8(a) firm.

(2) Under the MOU cited in 219.800, no separate agency offering or SBA acceptance is needed for requirements that are issued under purchase orders that do not exceed the simplified acquisition threshold. After

an 8(a) contractor has been identified, the contracting officer shall establish the prices, terms, and conditions with the 8(a) contractor and shall prepare a purchase order consistent with the procedures in part 213 and FAR part 13, including the applicable clauses required by this subpart. No later than the day that the purchase order is provided to the 8(a) contractor, the contracting officer shall provide to the cognizant SBA Business Opportunity Specialist, using facsimile or electronic mail--

(i) A copy of the purchase order; and

(ii) A notice stating that the purchase order is being processed under the MOU. The notice also shall indicate that the 8(a) contractor will be deemed eligible for award and will automatically begin work under the purchase order unless, within 2 working days after SBA's receipt of the purchase order, the 8(a) contractor and the contracting officer are notified that the 8(a) contractor is ineligible for award.

219.804-3 SBA acceptance.

For requirements processed under the MOU cited in 219.800, SBA's acceptance is required within 5 working days (but see 219.804-2(2) for purchase orders that do not exceed the simplified acquisition threshold).

219.805 Competitive 8(a).

219.805-2 Procedures.

(c) For requirements processed under the MOU cited in 219.800--

(i) For sealed bid and negotiated acquisitions, the SBA will determine the eligibility of the firms and will advise the contracting officer within 2 working days after its receipt of a request for an eligibility determination; and

(ii) For negotiated acquisitions, the contracting officer may submit a request for an eligibility determination on as many as three of the most highly rated offerors.

#### 219.806 Pricing the 8(a) contract.

For requirements processed under the MOU cited in 219.800--

(1) The contracting officer shall obtain cost or pricing data from the 8(a) contractor, if required by FAR subpart 15.4; and

(2) SBA concurrence in the negotiated price is not required. However, except for purchase orders not exceeding the simplified acquisition threshold, the contracting officer shall notify the SBA prior to withdrawing a requirement from the 8(a) Program due to failure to agree on price or other terms and conditions.

#### 219.808 Contract negotiations.

##### 219.808-1 Sole source.

For requirements processed under the MOU cited in 219.800--

(1) The agency may negotiate directly with the 8(a) contractor. The contracting officer is responsible for initiating negotiations;

(2) The 8(a) contractor is responsible for negotiating within the time established by the contracting officer;

(3) If the 8(a) contractor does not negotiate within the established time and the agency cannot allow additional time, the contracting officer may, after notifying the SBA, proceed with the acquisition from other sources;

(4) If requested by the 8(a) contractor, the SBA may participate in negotiations; and

(5) SBA approval of the contract is not required.

#### 219.811 Preparing the contracts.

##### 219.811-1 Sole source.

(a) Awards under the MOU cited in 219.800 may be made directly to the 8(a) contractor and, except as provided in paragraph (b) of this subsection and in 219.811-3, award documents shall be prepared in accordance with procedures established for non-8(a) contracts, using any otherw

ise authorized award forms. The ``Issued by'' block shall identify the awarding DoD contracting office. The contractor's name and address shall be that of the 8(a) participant.

(b) Use the following alternative procedures for direct awards made under the MOU cited in 219.800:

(i) Cite 10 U.S.C. 2304(c)(5) as the authority for use of other than full and open competition;

(ii) Include the clause at 252.219-7009, which allows for direct award to the 8(a) contractor, and identify the cognizant SBA district office for the 8(a) contractor;

(iii) No SBA contract number is required; and

(iv) Do not require an SBA signature on the award document.

#### 219.811-2 Competitive.

Awards made under the MOU cited in 219.800 shall be prepared in accordance with 219.811-1.

#### 219.811-3 Contract clauses.

(1) Use the clause at 252.219-7009, Section 8(a) Direct Award, instead of the clauses at FAR 52.219-11, Special 8(a) Contract Conditions, FAR 52.219-12, Special 8(a) Subcontract Conditions, and FAR 52.219-17, Section 8(a) Award, in solicitations and contracts processed in accordance with the MOU cited in 219.800.

(2) Use the clause at FAR 52.219-18, Notification of Competition Limited to Eligible 8(a) Concerns, with 252.219-7010, Alternate A, in solicitations and contracts processed in accordance with the MOU cited in 219.800.

(3) Use the clause at 252.219-7011, Notification to Delay Performance, in solicitations and purchase orders issued in accordance with 219.804-2(2).

#### 219.812 Contract administration.

(d) Awards under the MOU cited in 219.800 are subject to Section 407 of Pub. L. 100-656. These contracts include the clause at 252.219-7009, Section 8(a) Direct Award, which requires the 8(a) contractor to notify the SBA and the contracting officer when ownership of the firm is being transferred.

#### PART 252--SOLICITATION PROVISIONS AND CONTRACT CLAUSES

5. Sections 252.219-7009, 252.219-7010, and 252.219-7011 are added to read as follows:

252.219-7009 Section 8(a) Direct Award.

As prescribed in 219.811-3(1), use the following clause:

Section 8(a) Direct Award (Jun 1998)

(a) This contract is issued as a direct award between the contracting office and the 8(a) Contractor pursuant to the Memorandum of Understanding dated May 6, 1998, between the Small Business Administration (SBA) and the Department of Defense. Accordingly, the SBA is not a party to this contract. SBA does retain responsibility for 8(a) certification, for 8(a) eligibility determinations and related issues, and for providing counseling and assistance to the 8(a) Contractor under the 8(a) Program. The cognizant SBA district office is:

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☐-----  
☐-----  
☐-----

[To be completed by the Contracting Officer at the time of award]

(b) The contracting office is responsible for administering the contract and for taking any action on behalf of the Government under the terms and conditions of the contract; provided that the contracting office shall give advance notice to the SBA before it issues a final notice terminating performance, either in whole or in part, under the contract. The contracting office also shall coordinate with the SBA prior to processing any novation agreement. The contracting office may assign contract administration functions to a contract administration office.

(c) The Contractor agrees that--

(1) It will notify the Contracting Officer, simultaneous with its notification to the SBA (as required by SBA's 8(a) regulations at 13 CFR 124.308), when the owner or owners upon whom 8(a) eligibility is based plan to relinquish ownership or control of the concern. Consistent with Section 407 of Pub. L. 100-656, transfer of ownership or control shall result in termination of the contract for convenience, unless the SBA waives the requirement for termination prior to the actual relinquishing of ownership and control; and

(2) It will not subcontract the performance of any of the requirements of this contract without the prior written approval of the SBA and the Contracting Officer.

(End of clause)

252.219-7010 Alternate A.

Alternate A (Jun 1998)

As prescribed in 219.811-3(2), substitute the following paragraph (c) for paragraph (c) of the clause at FAR 52.219-18:

(c) Any award resulting from this solicitation will be made directly by the Contracting Officer to the successful 8(a) offeror selected through the evaluation criteria set forth in this solicitation.

252.219-7011 Notification to Delay Performance.

As prescribed in 219.811-3 (3), use the following clause  
NOTIFICATION TO DELAY PERFORMANCE (JUN 1998)

The Contractor shall not begin performance under this purchase order until 2 working days have passed from the date of its receipt. Unless the Contractor receives notification from the Small Business Administration that it is ineligible for this 8(a) award, or otherwise receives instructions from the Contracting Officer, performance under this purchase order may begin on the third working day following receipt of the purchase order. If a determination of ineligibility is issued within the 2-day period, the purchase order shall be considered canceled.

(End of clause)

PART 253--FORMS

6. Section 253.204-70 is amended by revising paragraph (d)(5)(iv)(B)(2) to read as follows:

253.204-70 DD Form 350, Individual Contracting Action Report.

\* \* \* \* \*

(d) \* \* \*

(5) \* \* \*

(iv) \* \* \*

(B) \* \* \*

(2) Code B--Section 8(a). Enter code B if the contract was awarded to--

(i) The Small Business Administration (SBA) under Section 8(a) of the Small Business Act (FAR subpart 19.8); or

(ii) An 8(a) contractor under the direct award procedures at 219.811.

\* \* \* \* \*

7. Section 253.204-71 is amended by revising paragraph (g)(2)(ii)(A) to read as follows:

253.204-71 DD Form 1057, Monthly Contracting Summary of Actions \$25,000 or Less.

\* \* \* \* \*

(g) \* \* \*

(2) \* \* \*

(ii) \* \* \*

(A) Block E2a, Through SBA-Section 8(a). Enter actions with the Small Business Administration pursuant to Section 8(a) of the Small Business Act (FAR subpart 19.8) or under the 8(a) direct award procedures at 219.811.

\* \* \* \* \*

**Management**  
**MANAGEMENT OF CONTRACTED ADVISORY AND ASSISTANCE SERVICES**

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**Purpose.** This publication covers Forces Command (FORSCOM) supplementary policies to AR 5-14 for Management of Contracted Advisory and Assistance Services (CAAS).

**Applicability.** This supplement applies to HQ FORSCOM including subordinate installations, FORSCOM Major Subordinate Commands including subordinate installations, and separate installations and activities reporting directly to HQ FORSCOM.

**Supplementation.** Supplementation of this regulation is prohibited without prior approval from CDR, FORSCOM, ATTN: AFRM, 1777 Hardee Avenue, SW, Fort McPherson, GA 30330-1062.

**Suggested improvements.** The proponent of this supplement is Deputy Chief of Staff for Resources and Evaluations (DCSRE). Users are invited to send comments and suggested improvements on DA Form

2028 (recommended Changes to Publications and Blank Forms) to CDR, FORSCOM, ATTN: AFRM-RI-PS, 1777 Hardee Avenue, SW, Fort McPherson, Georgia 30330-1062.

FOR THE COMMANDER:

JOHN M. PICKLER  
Lieutenant General, USA  
Chief of Staff

WILLIAM H. RUSS  
Brigadier General, USA  
Deputy Director,  
Chief Information Office

**Distribution** is Special for HQ FORSCOM, FORSCOM installations, FORSCOM units on non-FORSCOM installations, HQ USARC, USAR, CONUSA, ASC, and ASC activities.

**Copies furnished:**

HQ FORSCOM (AFCI-A) (record copy)

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**Page 3, paragraph 1-1, Purpose, Add the following subparagraph d:** This supplement assigns responsibility and provides guidance for uniform response and effective management of Contracted Advisory and Assistance Services (CAAS) throughout FORSCOM to ensure compliance with directives from higher headquarters.

**Page 4, Add the following paragraph: 2-12 Responsibilities of the HQ FORSCOM, Assistant Deputy Chief of Staff for Resources and Evaluation (ADCSRE):** The ADCSRE has the primary responsibility for managing CAAS procurement within FORSCOM. The ADCSRE will:

- a. Provide overall staff supervision for the effective management of FORSCOM's CAAS.
- b. Provide policy and procedures for managing FORSCOM's CAAS.
- c. Give technical advice and guidance to subordinate commands, activities, and HQ FORSCOM staff elements on all aspects of CAAS procurement.
- d. Coordinate staff review and approval of all management decision documents for CAAS procurement requests that require approval by a management official at HQ FORSCOM or HQDA.
- e. Maintain a comprehensive file on the CAAS contract, including all documents originating from the requiring activity.
- f. Ensure that the correct element of resource (EOR) is assigned to all CAAS contracts in accordance with AR 37-100-XX and Army Resource Formulation Plan-BES Schedule.
- g. Approve Studies, Analyses and Evaluations (SAE) CAAS procurement requests less than \$250,000, and all Management Support Services (MSS) and Engineering and Technical Services (ETS) CAAS procurement requests for major subordinate commands and installations/activities reporting directly to HQ FORSCOM that do not meet the management approval validation criteria in paragraph 4-3.

**Page 4, Add the following paragraph: 2-13 Responsibilities of the HQ FORSCOM, Deputy Chief of Staff for Logistics and Readiness (DCSL&R):** The DCSL&R Staff has the responsibility to assist the ADCSRE with managing CAAS within FORSCOM. Duties may be delegated to the supporting contracting office as appropriate. The DCSL&R will:

- a. Ensure that technical certification supporting contracting officer justifications for other than full and open competition procurements are prepared according to the FAR and AR 5-14.
- b. Ensure that unsolicited proposals for CAAS procurement are evaluated per the FAR/DFARS/AFARS and AR 5-14.
- c. Ensure that existing contracts and new contract actions are screened to identify CAAS items subject to the provisions of this regulation.
- d. Continue to maintain a comprehensive file on the CAAS contract, including all documents originating from the requiring activity.

**Page 4, Add the following paragraph: 2-14 Responsibilities of the HQ FORSCOM Staff Judge Advocate (SJA):** The FORSCOM SJA will provide legal review of CAAS actions, subsequent to HQ FORSCOM DCSL&R review, HQ FORSCOM DCSRE review, and other appropriate HQ FORSCOM staff review, such as the office responsible for the subject matter of the CAAS action.

**Page 4, Add the following paragraph: 2-15 HQ FORSCOM Staff Responsibilities:**

- a. Elements, headed by a General Officer, member of the Senior Executive Service, or Colonels in authorized General Officer positions will review and take appropriate action as required by AR 5-5 and AR 5-14 on all management decision documents, within their areas of responsibility, for approval by HQ FORSCOM or by HQDA.
- b. Elements not headed by a General Officer, member of the Senior Executive Service, or Colonels in authorized General Officer positions will review and make appropriate recommendations within their areas of responsibility on all management decision documents and submit for approval by HQ FORSCOM or HQDA.

**Page 5, paragraph 3-3h (3)(d), Limitations. Add the following:** Orders issued under an indefinite delivery contract do not require management approval if the basic contract is approved and a review of the file indicates the specific CAAS being ordered is within the scope of the contract and therefore included in the original approval.

**Page 7, paragraph 4-3f (6)(c) Validation. Add the following subparagraphs 1, 2, and 3:**

**1. FORSCOM Major Subordinate Commands and Installations/Activities Reporting Directly to FORSCOM.** All CAAS procurement requests shall as a minimum, be approved by an official at a level above the requiring activity. In addition, approval for all CAAS procurement requests initiated during the fourth quarter of the fiscal year for award during the same fiscal year shall be by an official at a second level or higher above the requiring activity. HQ FORSCOM delegates management approval authority for SAE CAAS procurement requests under \$250,000, and MSS and ETS CAAS procurement requests under \$500,000 to commanders of major subordinate-commands, and separate installations and activities reporting directly to HQ FORSCOM. SAE CAAS procurement requests estimated to be more than \$250,000, and MSS and ETS CAAS procurement requests estimated to be more than \$500,000 must be sent for approval to Commander, FORSCOM, ATTN: AFRM, 1777 Hardee Avenue, SW, Fort McPherson, Georgia 30330-1062. (See table 4-1)

- a. All division and office chiefs can approve SAE, MSS, and ETS CAAS procurement requests estimated to be less than \$50,000.
- b. General Officer, SES members, and Colonels working in an authorized General Officer position can approve Category SAE CAAS procurement requests estimated to be less than \$250,000, and MSS and ETS CAAS procurement requests estimated to be less than \$500,000.
- c. Major Subordinate Commands and Installations/Activities reporting directly to HQ FORSCOM with CAAS procurement requests exceeding the approval criteria in this paragraph will send management decision documents for approval to the Commander, FORSCOM, ATTN: AFRM, Fort McPherson, Georgia 30330-1062.

## **FORSCOM Supplement 1 To AR 5-14**

2. **HQ FORSCOM.** All CAAS procurement requests shall as a minimum, be approved by an official at a level above the requiring activity. In addition, approval for all CAAS procurement requests initiated during the fourth quarter of the fiscal year , for award during the same fiscal year shall be by an official at a second level or higher above the requiring activity. Management approval authority within HQ FORSCOM is delegated as follows (See Table 4-2):

a. The ADCSRE has management approval authority for SAE CAAS procurement requests estimated to be less than \$250,000, and all MSS and ETS CAAS procurement requests. The ADCSRE must forward SAE CAAS procurement requests estimated to be more than \$250,000 to HQDA (see AR 5-5, Chapter, para 5-5b(2) and para 5-5c(5)).

b. The DCSLR will assist with management approval by initially reviewing SAE CAAS procurement requests estimated to be less than \$250,000, and all MSS and ETS CAAS procurement requests prior to approval by the ADCSRE. Also, the DCSLR will review SAE CAAS procurement requests estimated to be more than \$250,000 prior to the ADCSRE forwarding CAAS procurement requests to HQDA.

c. All activities within HQ FORSCOM will coordinate CAAS procurement requests including SAE CAAS procurement requests estimated to be more than \$250,000 with the DCSL&R staff and DCSRE staff prior to approval by the ADCSRE or HQDA.

3. **HQDA.** Management approval authority for SAE CAAS procurement requests over \$250,000 are the responsibility of the Deputy Under Secretary of the Army - Operations and Research. (see AR 5-5, Chapter 5, para 5-5b(2) and para 5-5c(5)).

**TABLE 4-1**

**FORSCOM MAJOR SUBORDINATE COMMAND AND INSTALLATION/ACTIVITY APPROVAL  
AUTHORITY FOR MANAGEMENT DECISION DOCUMENT**

THRESHHOLD	SAE	MSS	ETS
<\$50K	DIV/OFC CHIEF	DIV/OFC CHIEF	DIV/OFC CHIEF
>\$50K UP TO \$250K	GO/SES/COL IN GO POS	N/A	N/A
>\$50K UP TO \$500K	N/A	GO/SES/COL IN GO POS	GO/SES/COL IN GO POS
>\$250K	HQ FORSCOM/HQDA	N/A	N/A
>\$500K	N/A	HQ FORSCOM	HQ FORSCOM

**Note:** All CAAS procurement requests shall as a minimum be approved by an official at a level above the requiring activity.

**TABLE 4-2**

**HQ FORSCOM APPROVAL AUTHORITY FOR MANAGEMENT DECISION DOCUMENT**

THRESHHOLD	SAE	MSS	ETS
<\$50K	ADCSRE	ADCSRE	ADCSRE
>\$50K UP TO \$250K	ADCSRE	N/A	N/A
>\$50K UP TO \$500K	ADCSRE	ADCSRE	ADCSRE
>\$250K	ADCSRE/HQDA	N/A	N/A
>\$500K	N/A	ADCSRE	ADCSRE

**Note:** All CAAS procurement requests shall as a minimum be approved by an official at a level above the requiring activity.

JUN 05 1998



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH DEVELOPMENT AND ACQUISITION  
103 ARMY PENTAGON  
WASHINGTON DC 20310-0103

28 MAY 1998

REPLY TO  
ATTENTION OF

SARD-PP

MEMORANDUM FOR HEADS OF CONTRACTING ACTIVITIES

SUBJECT: Competition Under Multiple Award Task and Delivery Order  
Contracts

The Office of Management and Budget has asked that we not permit the designation of a contractor under a multiple award contract as the preferred source for a specific order unless the order meets one of the four criteria listed in the FAR. See enclosed OMB memorandum. Also enclosed is an extract from FAR 16.505(b)(2) with the four criteria.

Therefore, request that this guidance be distributed within your activity, and to any external users of your multiple award contracts:

a. Multiple award task and delivery order contracts shall not include a provision permitting the designation of a particular contractor as the preferred source for a specific order unless the order meets one of the criteria listed in the FAR.

b. Contracting officers shall not process task or delivery orders for more than \$2,500 that designate a preferred source without making the determination required by FAR 16.505(b)(2).

c. Army personnel shall not designate a preferred source for an order for more than \$2,500 unless one of the four criteria is met.

My action officer is Mr. Curtis Stevenson, 703-681-1041.

A handwritten signature in cursive script, reading "Kenneth J. Oscar", is positioned above the printed name.

Kenneth J. Oscar  
Acting Assistant Secretary of the Army  
(Research, Development and Acquisition)

Enclosures





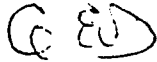
EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DEPUTY DIRECTOR  
FOR MANAGEMENT

APR 21 1998

MEMORANDUM FOR THE PRESIDENT'S MANAGEMENT COUNCIL

FROM:

G. Edward DeSeve   
Acting Deputy Director for Management

SUBJECT:

Competition Under Multiple Award Task and Delivery Order Contracts


During this Administration, the President's Management Council has provided invaluable support for reform of the acquisition process to better serve agency missions and produce more value for taxpayer dollars. We have seen substantial progress in improving agencies' level of acquisition performance. I am now requesting your help to ensure the success of one of the most significant reforms -- the ability to apply competitive forces when awarding task and delivery orders.

Multiple award contracts (MACs), explicitly authorized by the Federal Acquisition Streamlining Act of 1994 (FASA), allow agencies to award multiple contracts covering the same scope of work and then, as needs are identified for specific tasks and products, use streamlined commercial-style procedures to compete the orders among the contract holders. These streamlined procedures, set forth in FAR 16.505, are much more flexible than the requirements imposed by FAR Part 6 when conducting a formal widespread competition. Such continuous competition for orders, can be highly effective in allowing agencies to buy up-to-date technical capability and products quickly and at good prices. Recognizing these benefits, FASA makes MACs the preferred method of task and delivery order contracting. Agencies have made great use of the MAC authority, and MACs that are open for ordering government-wide have become common.

Last fall, in an effort to promote effective use of the MACs across the government, OMB's Office of Federal Procurement Policy (OFPP) worked with a group of program managers for major information technology MACs to sign a compact setting forth principles for managing and administering those contracts. The compact was an important step in focusing on potential issues and best practices for using MACs, but more work is needed to build on this progress. In this regard, the General Accounting Office and the Department of Defense Inspector General recently testified before the Senate Armed Services Committee that agencies too often forego the opportunity to make effective use of competition.

Of immediate concern is the practice of allowing agencies to designate one of the contract holders as the preferred source for a specific order even though the order does not qualify under one of the sole source exceptions in FAR 16.505(b)(2). This practice discourages other contract holders from competing and deprives the government of the benefit of the innovation and efficiency induced by competition. While the FASA authority provides for reasonable exceptions to the competitive award of orders, going beyond those exceptions to designate a preferred source is not a good practice. Accordingly, I am requesting that you investigate whether or not your agency is using this practice and, if so, that you take action to stop its use until the Federal Acquisition Regulatory Council addresses this problem. OFPP is requesting that the FAR Council (see attached), on an expedited basis, promulgate a regulation prohibiting the use of preferred source designations.

I appreciate your cooperation.

Attachment 

cc: Agency Senior Procurement Executives  
Program Managers Council

Federal Acquisition Regulation Exceptions To  
Providing A Fair Opportunity To Be Considered for Orders  
(as of FAC 97-02)

FAR 16.505 Ordering

(b) *Orders under multiple award contracts.* (1) Except as provided for in paragraph (b)(2) of this section, for orders issued under multiple delivery order contracts or multiple task order contracts, each awardee shall be provided a fair opportunity to be considered for each order in excess of \$2,500. \* \* \* \* \*

(2) Awardees need not be given an opportunity to be considered for a particular order in excess of \$2,500 under multiple delivery order contracts or multiple task order contracts if the contracting officer determines that--

(i) The agency need for such supplies or services is of such urgency that providing such opportunity would result in unacceptable delays;

(ii) Only one such contractor is capable of providing such supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized;

(iii) The order should be issued on a sole-source basis in the interest of economy and efficiency as a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order; or

(iv) It is necessary to place an order to satisfy a minimum guarantee.

## **Thomas, Walter (Clyde) - DCSLOG**

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**From:** Armstrong, Judy - DCSLOG  
**Sent:** Tuesday, June 30, 1998 8:12 AM  
**To:** Thomas, Walter (Clyde) - DCSLOG; Lowman, Carol - DCSLOG  
**Cc:** McCarthy, Becky - DCSLOG; Gaines, Toni - DCSLOG; Thomas, Beverly - DCSLOG  
**Subject:** FW: DD350/1057 Reporting WEB Page

-----Original Message-----

**From:** Phillips, William, LTC, SARDA [SMTP:PhillipW@sarda.army.mil]  
**Sent:** Monday, June 29, 1998 7:18 PM  
**To:** Oscar, Kenneth, Dr., SARDA; PARC  
**Cc:** Elgart, Edward, Mr., SARDA; SARDA Skyline Subscribers  
**Subject:** FW: DD350/1057 Reporting WEB Page

PARCs,

Below is a message from Mr. Brian Davidson that identifies a new website for Procurement Statistics. Brian and the DD350/DD1057 Team developed the website in order to provide a "user friendly" means to access our reporting database and to determine reporting status. The website is updated daily and contains the latest reporting information. It can be used to determine missing reports as well as those failing edit checks. Please keep in mind that some of the fields such as "Reports" are still being developed, and contain only static information (as Brian states below).

As all are well aware, DD350 & DD1057 reporting continues to be a challenge. During the past couple of months both Brian and I have had numerous discussions with many organizations. I'm certainly not an expert on the reporting system. However, discussions w/ both SARDA & MACOM personnel indicate that communication of timely information, presented in a user friendly manner is critical to successful reporting and correction of discrepancies. Therefore, this website is an attempt to enhance communication of the right information to the right personnel who can take the appropriate action to resolve.

Also, I asked Brian to put together some of the top reasons for DD350/1057 data discrepancies. They are as follows:

1. Incorrect DUNS numbers & addresses. Some of these reports are held at our level in an attempt to correct within the DoD database and D&B. The new website allows the capability to research a number.
2. Change in DA Edits as a result of DoD Edit Specification Document. (Timely communication of this information is critical and begins at SARDA level).
3. Timely reporting & failure to report DD350s (missing). DD1057s are reported monthly, and on the website the user can quickly ascertain who has and hasn't reported (e.g. thru 10 June, organizations/offices should have "8" 1057 reports issued). Also, DD350s should be processed ASAP-please don't wait until later or end of the month, etc..
4. Accurate Reporting. Examples: incorrect office code, incorrect DUNS number, key fields left blank, and large businesses identified as a SDB, SB, or Government Agency (yes, we've had some of the top 5 contracts show up in these categories).

Bottom line, SARDA cannot solve the reporting problems alone, nor can

the MACOMs. We both have a stake in the success of this effort, and I firmly believe that together we can greatly improve our statistics. Please share this information and website with your contracting personnel. Also, we ask for your personnel involvement in improving Army reporting-you have our commitment to do so.

Mr. Davidson and I sincerely appreciate any feedback concerning the value of the website, as well as your recommendations for enhancements. Thanks for your support!

V/R  
LTC Bill Phillips

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From: Davidson, Brian, Mr., SARDA  
Sent: Monday, June 29, 1998 5:20 PM  
To: Phillips, William, LTC, SARDA  
Subject: DD350/1057 Reporting WEB Page

There is a new WEB Page to add to your list of places to visit:

<http://prmis.sarda.army.mil>

p-procurement  
r-reporting  
m-management  
i-information  
s-system

This WEB page has DD350 and DD1057 Procurement Reporting organized by Army contracting activities within each Army Major Command (MACOM). Each MACOM has a summary page showing the number and dollar value for three groups of reports. The three groups are DD350s, DD1057s and Emerging Small Business (ESB) DD350s. Each group shows totals for the number of reports Failing the Edits and Passing the Edits or Good reports.

Each contracting activity is listed on the MACOM summary page. Each contracting activity is linked to the detail listing of GOOD reports and Failing the EDITs reports. The Failing the Edits detail listing shows the edit errors incurred the last time the report was submitted.

This WEB pages are updated daily. The Last Updated Date and Time are shown at the top of every summary and detail WEB page. Should your date not be current, all you need to do is press the REFRESH or RELOAD buttons on your WEB browsers. It should prove to be an invaluable tool to complete FY 1998 year-end closeout. All data that HQDA receives is posted here. Any reports not shown need to be sent to HQDA.

The Reports button is a demonstration page right now. It's capability is evolving. It does show the March 1998 reports. We are still working on automating the generation of current reports.

Current JAVA-enabled Web browsers are needed. Netscape and MS Internet Explorer work fine. Check the version of your WEB browser should you have difficulty accessing <http://prmis.sarda.army.mil> .

Please send suggestions/comments via e-mail to [davidsob@sarda.army.mil](mailto:davidsob@sarda.army.mil).

Regards,

Brian Davidson  
OSARDA, Information Management and Analysis Directorate

Tel: (703) 681-9781 DSN 761-9781  
Fax (703) 681-9304 DSN 761-9304  
Alternate  
Fax (703) 681-7580 DSN 761-7580  
Email: [DavidsoB@SARDA.ARMY.MIL](mailto:DavidsoB@SARDA.ARMY.MIL)